

SENATE, No. 2605

STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED JUNE 25, 2020

Sponsored by:

Senator BOB SMITH

District 17 (Middlesex and Somerset)

Senator CHRISTOPHER "KIP" BATEMAN

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

SYNOPSIS

Directs BPU to establish utility-scale solar energy development program.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT concerning utility-scale solar energy development,
2 supplementing and amending P.L.1999, c.23, and amending
3 P.L.2016, c.12.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

7
8 1. (New section) a. The Legislature hereby finds and
9 declares that:

10 (1) In order to achieve the State's goal of securing 50 percent of
11 its electricity supply from renewable energy by 2030 with the least
12 cost and the greatest benefit to consumers, it is critical (a) to
13 continually reexamine the State's renewable energy programs and
14 consider creating new programs, and (b) for all solar electric energy
15 generated by a facility connected to an electric public utility or to
16 transmission facilities operated by the PJM Interconnection, L.L.C.
17 to be considered Class I renewable energy and for the facility to be
18 eligible to generate renewable energy certificates for the solar
19 energy it generates provided that it is not simultaneously generating
20 solar renewable energy certificates;

21 (2) The 2019 Energy Master Plan ("EMP") found that: (a) the
22 State can achieve its 100 percent clean energy and 80 percent
23 greenhouse gas reduction goals with little added cost, and likely net
24 savings when health benefits and climate change mitigation benefits
25 are taken into account, in part by maximizing the development of
26 in-State renewable energy generation, including 17 gigawatts of
27 solar power by 2035 and 32 gigawatts by 2050; (b) under the least
28 cost path identified by the EMP, solar energy could meet 34 percent
29 of the State's clean energy needs by 2050; and (c) to embark on this
30 least cost path, the EMP determined that the State should add at
31 least 400 megawatts of in-State solar power each year through
32 2030;

33 (3) Utility-scale solar energy is the least-cost renewable energy
34 resource in both the State and the Mid-Atlantic region, and New
35 Jersey has the market potential for at least 3,000 megawatts of
36 utility-scale solar energy by 2030;

37 (4) Fostering and incentivizing the development of new utility-
38 scale solar facilities within the State will: (a) mitigate price and
39 delivery risks while ensuring an adequate, efficient, and reliable
40 supply of renewable energy; (b) enhance the continued
41 diversification of the energy resources used in this State, resulting
42 in environmental and health benefits to New Jersey residents and a
43 more resilient energy supply; and (c) encourage lower financing
44 rates and enable the development of more affordable renewable
45 energy resources;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 (5) A utility-scale solar energy development program that
2 establishes a competitive solicitation process for long-term
3 contracts to provide Class I renewable energy will help achieve the
4 State's goal of securing 50 percent of its electricity supply from
5 renewable energy by 2030 at a cost to customers that is equal to or
6 less than the costs that would be borne by customers without the
7 creation of such a program, thus causing no conflict with the
8 renewable energy portfolio standard cost caps established by
9 section 38 of P.L.1999, c.23 (C.48:3-87); and

10 (6) It is in the public interest to create a utility-scale solar
11 energy development program that includes an annual competitive
12 solicitation process to identify cost-effective utility-scale solar
13 facility projects capable of supplying clean and reliable solar energy
14 to New Jersey consumers.

15 b. (1) No later than one year after the effective date of
16 P.L. , c. (C.) (pending before the Legislature as this bill), the
17 board, pursuant to the "Administrative Procedure Act,"
18 P.L.1968, c.410 (C.52:14B-1 et seq.), shall adopt rules and
19 regulations establishing an annual competitive procurement
20 program to develop utility-scale solar facilities capable of
21 producing at least 3,000 megawatts of power by 2030. This
22 program shall include a transparent, competitive, and fair annual
23 solicitation process that is open on a non-discriminatory basis to
24 any entity seeking to construct a utility-scale solar facility that can
25 achieve commercial operation within two years after the date of
26 execution of a power purchase agreement, and standardized
27 evaluation criteria to be applied equally to all bids and bidders.

28 (2) The evaluation criteria shall include the ability of the utility-
29 sale solar facility and any power purchase agreement entered into
30 pursuant to this section to:

31 (a) provide enhanced electricity reliability;

32 (b) contribute to reducing seasonal electricity price spikes;

33 (c) be cost effective to ratepayers over the term of the contract,
34 taking into consideration potential economic and environmental
35 benefits to the ratepayers;

36 (d) avoid line loss and mitigate transmission costs to the extent
37 possible and ensure that transmission cost overruns, if any, are not
38 borne by ratepayers;

39 (e) be paired with energy storage systems;

40 (f) mitigate any environmental impacts associated with the
41 construction of the facility; and

42 (g) create and foster employment and economic development in
43 the State.

44 c. (1) No later than 18 months after the effective date of
45 c. (C.) (pending before the Legislature as this bill), the board
46 shall establish the competitive procurement process, in accordance
47 with subparagraphs (a) and (b) of paragraph (1) of subsection d. of
48 this section, and conduct a competitive solicitation for utility-scale

1 solar facility projects, in accordance with subparagraphs (a), (b),
2 and (c) of paragraph (2) of subsection d. of this section.

3 d. (1) By December 31 of each year after the competitive
4 solicitation conducted pursuant to subsection c. of this section, the
5 board, after notice and opportunity for public comment, shall
6 establish for the competitive procurement to take place in the
7 following year:

8 (a) a procurement target of at least 375 megawatts, measured as
9 alternating current, which target may be increased by the board to
10 qualify for federal incentives or if the board otherwise finds doing
11 so is in the public interest; and

12 (b) a cost cap based on the board's forecast of the 20-year
13 market price of energy, capacity, and Class I RECs, and including
14 the total cost of remunerations paid pursuant to subsection d. of this
15 section and a just and reasonable value for capacity.

16 (2) By June 30 of each year after the establishment of the
17 competitive procurement process pursuant to paragraph (1) of this
18 subsection, the board shall conduct a competitive solicitation for
19 utility-scale solar facility projects, which shall:

20 (a) rank all bids received based on price;

21 (b) consider all bids that are equal to or lower than the cost cap
22 and which meet or exceed the procurement target established by the
23 board; and

24 (c) require bidders to submit fees in an amount determined by
25 the board to cover the costs incurred by the board in administering
26 the competitive procurement process established pursuant to this
27 section.

28 e. (1) Within 90 days after a winning bid for a solicitation
29 conducted pursuant to paragraph (2) of subsection c. of this section
30 is chosen, each electric public utility shall negotiate a power
31 purchase agreement with the winning bidder to purchase energy,
32 capacity, and Class I RECs, or any combination thereof, for a term
33 of 20 years. A power purchase agreement entered into pursuant to
34 this subsection that is subject to review by the Federal Energy
35 Regulatory Commission shall be filed with the Federal Energy
36 Regulatory Commission pursuant to 16 U.S.C. s.824d.

37 (2) Each power purchase agreement developed pursuant to this
38 section shall include (a) an annual remuneration of one percent of
39 the annual payments under the agreement to be submitted to the
40 State Treasurer for deposit into the "Preserve New Jersey Fund
41 Account," established pursuant to section 4 of P.L.2016, c.12
42 (C.13:8C-46), to be allocated as set forth pursuant to section 1 of
43 P.L.2019, c.136 (C.13:8C-47.1), and (b) an annual remuneration of
44 up to two and one-half percent of the annual payment under the
45 agreement to compensate the electric public utility for accepting the
46 financial obligation of the long-term agreement. The net costs of a
47 power purchase agreement shall be recovered through a non-

1 bypassable charge incorporated into the rates of the electric public
2 utility as approved by the board.

3 f. Energy produced from a utility-scale solar facility shall not
4 simultaneously receive Class I RECs and SRECs or any other
5 comparable credits issued under the SREC successor program
6 developed by the board pursuant to P.L.2018, c.17 (C.48:3-
7 87.8 et al.).

8 g. An electric public utility shall sell all Class I RECs
9 generated by a utility-scale solar facility pursuant to this section to
10 third-party energy suppliers, and any financial benefit realized by
11 an electric public utility shall be credited to ratepayers.

12 h. The issuance of Class I RECs for an eligible utility-scale
13 solar facility developed pursuant to this section shall be deemed
14 "Board of Public Utilities financial assistance," as defined pursuant
15 to section 1 of P.L.2009, c.89 (C.48:2-29.47).

16

17 2. Section 3 of P.L.1999, c.23 (C.48:3-51) is amended to read
18 as follows:

19 3. As used in P.L.1999, c.23 (C.48:3-49 et al.):

20 "Assignee" means a person to which an electric public utility or
21 another assignee assigns, sells, or transfers, other than as security,
22 all or a portion of its right to or interest in bondable transition
23 property. Except as specifically provided in P.L.1999, c.23
24 (C.48:3-49 et al.), an assignee shall not be subject to the public
25 utility requirements of Title 48 or any rules or regulations adopted
26 pursuant thereto.

27 "Base load electric power generation facility" means an electric
28 power generation facility intended to be operated at a greater than
29 50 percent capacity factor including, but not limited to, a combined
30 cycle power facility and a combined heat and power facility.

31 "Base residual auction" means the auction conducted by PJM, as
32 part of PJM's reliability pricing model, three years prior to the start
33 of the delivery year to secure electrical capacity as necessary to
34 satisfy the capacity requirements for that delivery year.

35 "Basic gas supply service" means gas supply service that is
36 provided to any customer that has not chosen an alternative gas
37 supplier, whether or not the customer has received offers as to
38 competitive supply options, including, but not limited to, any
39 customer that cannot obtain such service for any reason, including
40 non-payment for services. Basic gas supply service is not a
41 competitive service and shall be fully regulated by the board.

42 "Basic generation service" or "BGS" means electric generation
43 service that is provided, to any customer that has not chosen an
44 alternative electric power supplier, whether or not the customer has
45 received offers for competitive supply options, including, but not
46 limited to, any customer that cannot obtain such service from an
47 electric power supplier for any reason, including non-payment for

1 services. Basic generation service is not a competitive service and
2 shall be fully regulated by the board.

3 "Basic generation service provider" or "provider" means a
4 provider of basic generation service.

5 "Basic generation service transition costs" means the amount by
6 which the payments by an electric public utility for the procurement
7 of power for basic generation service and related ancillary and
8 administrative costs exceeds the net revenues from the basic
9 generation service charge established by the board pursuant to
10 section 9 of P.L.1999, c.23 (C.48:3-57) during the transition period,
11 together with interest on the balance at the board-approved rate, that
12 is reflected in a deferred balance account approved by the board in
13 an order addressing the electric public utility's unbundled rates,
14 stranded costs, and restructuring filings pursuant to P.L.1999, c.23
15 (C.48:3-49 et al.). Basic generation service transition costs shall
16 include, but are not limited to, costs of purchases from the spot
17 market, bilateral contracts, contracts with non-utility generators,
18 parting contracts with the purchaser of the electric public utility's
19 divested generation assets, short-term advance purchases, and
20 financial instruments such as hedging, forward contracts, and
21 options. Basic generation service transition costs shall also include
22 the payments by an electric public utility pursuant to a competitive
23 procurement process for basic generation service supply during the
24 transition period, and costs of any such process used to procure the
25 basic generation service supply.

26 "Board" means the New Jersey Board of Public Utilities or any
27 successor agency.

28 "Bondable stranded costs" means any stranded costs or basic
29 generation service transition costs of an electric public utility
30 approved by the board for recovery pursuant to the provisions of
31 P.L.1999, c.23 (C.48:3-49 et al.), together with, as approved by the
32 board: (1) the cost of retiring existing debt or equity capital of the
33 electric public utility, including accrued interest, premium and other
34 fees, costs, and charges relating thereto, with the proceeds of the
35 financing of bondable transition property; (2) if requested by an
36 electric public utility in its application for a bondable stranded costs
37 rate order, federal, State and local tax liabilities associated with
38 stranded costs recovery, basic generation service transition cost
39 recovery, or the transfer or financing of the property, or both,
40 including taxes, whose recovery period is modified by the effect of
41 a stranded costs recovery order, a bondable stranded costs rate
42 order, or both; and (3) the costs incurred to issue, service or
43 refinance transition bonds, including interest, acquisition or
44 redemption premium, and other financing costs, whether paid upon
45 issuance or over the life of the transition bonds, including, but not
46 limited to, credit enhancements, service charges,
47 overcollateralization, interest rate cap, swap or collar, yield
48 maintenance, maturity guarantee or other hedging agreements,

1 equity investments, operating costs, and other related fees, costs,
2 and charges, or to assign, sell, or otherwise transfer bondable
3 transition property.

4 "Bondable stranded costs rate order" means one or more
5 irrevocable written orders issued by the board pursuant to
6 P.L.1999, c.23 (C.48:3-49 et al.) which determines the amount of
7 bondable stranded costs and the initial amount of transition bond
8 charges authorized to be imposed to recover the bondable stranded
9 costs, including the costs to be financed from the proceeds of the
10 transition bonds, as well as on-going costs associated with servicing
11 and credit enhancing the transition bonds, and provides the electric
12 public utility specific authority to issue or cause to be issued,
13 directly or indirectly, transition bonds through a financing entity
14 and related matters as provided in P.L.1999, c.23 (C.48:3-49 et al.),
15 which order shall become effective immediately upon the written
16 consent of the related electric public utility to the order as provided
17 in P.L.1999, c.23 (C.48:3-49 et al.).

18 "Bondable transition property" means the property consisting of
19 the irrevocable right to charge, collect, and receive, and be paid
20 from collections of, transition bond charges in the amount necessary
21 to provide for the full recovery of bondable stranded costs which
22 are determined to be recoverable in a bondable stranded costs rate
23 order, all rights of the related electric public utility under the
24 bondable stranded costs rate order including, without limitation, all
25 rights to obtain periodic adjustments of the related transition bond
26 charges pursuant to subsection b. of section 15 of P.L.1999, c.23
27 (C.48:3-64), and all revenues, collections, payments, money, and
28 proceeds arising under, or with respect to, all of the foregoing.

29 "British thermal unit" or "Btu" means the amount of heat
30 required to increase the temperature of one pound of water by one
31 degree Fahrenheit.

32 "Broker" means a duly licensed electric power supplier that
33 assumes the contractual and legal responsibility for the sale of
34 electric generation service, transmission, or other services to end-
35 use retail customers, but does not take title to any of the power sold,
36 or a duly licensed gas supplier that assumes the contractual and
37 legal obligation to provide gas supply service to end-use retail
38 customers, but does not take title to the gas.

39 "Brownfield" means any former or current commercial or
40 industrial site that is currently vacant or underutilized and on which
41 there has been, or there is suspected to have been, a discharge of a
42 contaminant.

43 "Buydown" means an arrangement or arrangements involving the
44 buyer and seller in a given power purchase contract and, in some
45 cases third parties, for consideration to be given by the buyer in
46 order to effectuate a reduction in the pricing, or the restructuring of
47 other terms to reduce the overall cost of the power contract, for the

1 remaining succeeding period of the purchased power arrangement
2 or arrangements.

3 "Buyout" means an arrangement or arrangements involving the
4 buyer and seller in a given power purchase contract and, in some
5 cases third parties, for consideration to be given by the buyer in
6 order to effectuate a termination of such power purchase contract.

7 "Class I renewable energy" means electric energy produced from
8 solar technologies, photovoltaic technologies, wind energy, fuel
9 cells, geothermal technologies, wave or tidal action, small scale
10 hydropower facilities with a capacity of three megawatts or less and
11 put into service after the effective date of P.L.2012, c.24, methane
12 gas from landfills or methane gas from a biomass facility provided
13 that the biomass is cultivated and harvested in a sustainable manner,
14 or methane gas from a composting or anaerobic or aerobic digestion
15 facility that converts food waste or other organic waste to energy.

16 "Class II renewable energy" means electric energy produced at a
17 hydropower facility with a capacity of greater than three megawatts,
18 but less than 30 megawatts, or a resource recovery facility, provided
19 that the facility is located where retail competition is permitted and
20 provided further that the Commissioner of Environmental
21 Protection has determined that the facility meets the highest
22 environmental standards and minimizes any impacts to the
23 environment and local communities. Class II renewable energy
24 shall not include electric energy produced at a hydropower facility
25 with a capacity of greater than 30 megawatts on or after the
26 effective date of P.L.2015, c.51.

27 "Co-generation" means the sequential production of electricity
28 and steam or other forms of useful energy used for industrial or
29 commercial heating and cooling purposes.

30 "Combined cycle power facility" means a generation facility that
31 combines two or more thermodynamic cycles, by producing electric
32 power via the combustion of fuel and then routing the resulting
33 waste heat by-product to a conventional boiler or to a heat recovery
34 steam generator for use by a steam turbine to produce electric
35 power, thereby increasing the overall efficiency of the generating
36 facility.

37 "Combined heat and power facility" or "co-generation facility"
38 means a generation facility which produces electric energy and
39 steam or other forms of useful energy such as heat, which are used
40 for industrial or commercial heating or cooling purposes. A
41 combined heat and power facility or co-generation facility shall not
42 be considered a public utility.

43 "Competitive service" means any service offered by an electric
44 public utility or a gas public utility that the board determines to be
45 competitive pursuant to section 8 or section 10 of P.L.1999, c.23
46 (C.48:3-56 or C.48:3-58) or that is not regulated by the board.

47 "Commercial and industrial energy pricing class customer" or
48 "CIEP class customer" means that group of non-residential

1 customers with high peak demand, as determined by periodic board
2 order, which either is eligible or which would be eligible, as
3 determined by periodic board order, to receive funds from the Retail
4 Margin Fund established pursuant to section 9 of P.L.1999, c.23
5 (C.48:3-57) and for which basic generation service is hourly-priced.

6 "Comprehensive resource analysis" means an analysis including,
7 but not limited to, an assessment of existing market barriers to the
8 implementation of energy efficiency and renewable technologies
9 that are not or cannot be delivered to customers through a
10 competitive marketplace.

11 "Connected to the distribution system" means, for a solar electric
12 power generation facility, that the facility is: (1) connected to a net
13 metering customer's side of a meter, regardless of the voltage at
14 which that customer connects to the electric grid; (2) an on-site
15 generation facility; (3) qualified for net metering aggregation as
16 provided pursuant to paragraph (4) of subsection e. of section 38 of
17 P.L.1999, c.23 (C.48:3-87); (4) owned or operated by an electric
18 public utility and approved by the board pursuant to section 13 of
19 P.L.2007, c.340 (C.48:3-98.1); (5) directly connected to the electric
20 grid at 69 kilovolts or less, regardless of how an electric public
21 utility classifies that portion of its electric grid, and is designated as
22 "connected to the distribution system" by the board pursuant to
23 subsections q. through s. of section 38 of P.L.1999, c.23 (C.48:3-
24 87); or (6) is certified by the board, in consultation with the
25 Department of Environmental Protection, as being located on a
26 brownfield, on an area of historic fill, or on a properly closed
27 sanitary landfill facility. Any solar electric power generation
28 facility, other than that of a net metering customer on the customer's
29 side of the meter, connected above 69 kilovolts shall not be
30 considered connected to the distribution system.

31 "Customer" means any person that is an end user and is
32 connected to any part of the transmission and distribution system
33 within an electric public utility's service territory or a gas public
34 utility's service territory within this State.

35 "Customer account service" means metering, billing, or such
36 other administrative activity associated with maintaining a customer
37 account.

38 "Delivery year" or "DY" means the 12-month period from June
39 1st through May 31st, numbered according to the calendar year in
40 which it ends.

41 "Demand side management" means the management of customer
42 demand for energy service through the implementation of cost-
43 effective energy efficiency technologies, including, but not limited
44 to, installed conservation, load management, and energy efficiency
45 measures on and in the residential, commercial, industrial,
46 institutional, and governmental premises and facilities in this State.

47 "Electric generation service" means the provision of retail
48 electric energy and capacity which is generated off-site from the

1 location at which the consumption of such electric energy and
2 capacity is metered for retail billing purposes, including agreements
3 and arrangements related thereto.

4 "Electric power generator" means an entity that proposes to
5 construct, own, lease, or operate, or currently owns, leases, or
6 operates, an electric power production facility that will sell or does
7 sell at least 90 percent of its output, either directly or through a
8 marketer, to a customer or customers located at sites that are not on
9 or contiguous to the site on which the facility will be located or is
10 located. The designation of an entity as an electric power generator
11 for the purposes of P.L.1999, c.23 (C.48:3-49 et al.) shall not, in
12 and of itself, affect the entity's status as an exempt wholesale
13 generator under the Public Utility Holding Company Act of 1935,
14 15 U.S.C. s.79 et seq., or its successor act.

15 "Electric power supplier" means a person or entity that is duly
16 licensed pursuant to the provisions of P.L.1999, c.23 (C.48:3-49 et
17 al.) to offer and to assume the contractual and legal responsibility to
18 provide electric generation service to retail customers, and includes
19 load serving entities, marketers, and brokers that offer or provide
20 electric generation service to retail customers. The term excludes an
21 electric public utility that provides electric generation service only
22 as a basic generation service pursuant to section 9 of P.L.1999, c.23
23 (C.48:3-57).

24 "Electric public utility" means a public utility, as that term is
25 defined in R.S.48:2-13, that transmits and distributes electricity to
26 end users within this State.

27 "Electric related service" means a service that is directly related
28 to the consumption of electricity by an end user, including, but not
29 limited to, the installation of demand side management measures at
30 the end user's premises, the maintenance, repair, or replacement of
31 appliances, lighting, motors, or other energy-consuming devices at
32 the end user's premises, and the provision of energy consumption
33 measurement and billing services.

34 "Electronic signature" means an electronic sound, symbol, or
35 process, attached to, or logically associated with, a contract or other
36 record, and executed or adopted by a person with the intent to sign
37 the record.

38 "Eligible generator" means a developer of a base load or mid-
39 merit electric power generation facility including, but not limited to,
40 an on-site generation facility that qualifies as a capacity resource
41 under PJM criteria and that commences construction after the
42 effective date of P.L.2011, c.9 (C.48:3-98.2 et al.).

43 "Energy agent" means a person that is duly registered pursuant to
44 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), that arranges the
45 sale of retail electricity or electric related services, or retail gas
46 supply or gas related services, between government aggregators or
47 private aggregators and electric power suppliers or gas suppliers,
48 but does not take title to the electric or gas sold.

1 "Energy consumer" means a business or residential consumer of
2 electric generation service or gas supply service located within the
3 territorial jurisdiction of a government aggregator.

4 "Energy efficiency portfolio standard" means a requirement to
5 procure a specified amount of energy efficiency or demand side
6 management resources as a means of managing and reducing energy
7 usage and demand by customers.

8 "Energy year" or "EY" means the 12-month period from June 1st
9 through May 31st, numbered according to the calendar year in
10 which it ends.

11 "Existing business relationship" means a relationship formed by
12 a voluntary two-way communication between an electric power
13 supplier, gas supplier, broker, energy agent, marketer, private
14 aggregator, sales representative, or telemarketer and a customer,
15 regardless of an exchange of consideration, on the basis of an
16 inquiry, application, purchase, or transaction initiated by the
17 customer regarding products or services offered by the electric
18 power supplier, gas supplier, broker, energy agent, marketer,
19 private aggregator, sales representative, or telemarketer; however, a
20 consumer's use of electric generation service or gas supply service
21 through the consumer's electric public utility or gas public utility
22 shall not constitute or establish an existing business relationship for
23 the purpose of P.L.2013, c.263.

24 "Farmland" means land actively devoted to agricultural or
25 horticultural use that is valued, assessed, and taxed pursuant to the
26 "Farmland Assessment Act of 1964," P.L.1964, c.48 (C.54:4-23.1 et
27 seq.).

28 "Federal Energy Regulatory Commission" or "FERC" means the
29 federal agency established pursuant to 42 U.S.C. s.7171 et seq. to
30 regulate the interstate transmission of electricity, natural gas, and
31 oil.

32 "Final remediation document" shall have the same meaning as
33 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b).

34 "Financing entity" means an electric public utility, a special
35 purpose entity, or any other assignee of bondable transition
36 property, which issues transition bonds. Except as specifically
37 provided in P.L.1999, c.23 (C.48:3-49 et al.), a financing entity
38 which is not itself an electric public utility shall not be subject to
39 the public utility requirements of Title 48 of the Revised Statutes or
40 any rules or regulations adopted pursuant thereto.

41 "Gas public utility" means a public utility, as that term is defined
42 in R.S.48:2-13, that distributes gas to end users within this State.

43 "Gas related service" means a service that is directly related to
44 the consumption of gas by an end user, including, but not limited to,
45 the installation of demand side management measures at the end
46 user's premises, the maintenance, repair or replacement of
47 appliances or other energy-consuming devices at the end user's

1 premises, and the provision of energy consumption measurement
2 and billing services.

3 "Gas supplier" means a person that is duly licensed pursuant to
4 the provisions of P.L.1999, c.23 (C.48:3-49 et al.) to offer and
5 assume the contractual and legal obligation to provide gas supply
6 service to retail customers, and includes, but is not limited to,
7 marketers and brokers. A non-public utility affiliate of a public
8 utility holding company may be a gas supplier, but a gas public
9 utility or any subsidiary of a gas utility is not a gas supplier. In the
10 event that a gas public utility is not part of a holding company legal
11 structure, a related competitive business segment of that gas public
12 utility may be a gas supplier, provided that related competitive
13 business segment is structurally separated from the gas public
14 utility, and provided that the interactions between the gas public
15 utility and the related competitive business segment are subject to
16 the affiliate relations standards adopted by the board pursuant to
17 subsection k. of section 10 of P.L.1999, c.23 (C.48:3-58).

18 "Gas supply service" means the provision to customers of the
19 retail commodity of gas, but does not include any regulated
20 distribution service.

21 "Government aggregator" means any government entity subject
22 to the requirements of the "Local Public Contracts Law,"
23 P.L.1971, c.198 (C.40A:11-1 et seq.), the "Public School Contracts
24 Law," N.J.S.18A:18A-1 et seq., or the "County College Contracts
25 Law," P.L.1982, c.189 (C.18A:64A-25.1 et seq.), that enters into a
26 written contract with a licensed electric power supplier or a licensed
27 gas supplier for: (1) the provision of electric generation service,
28 electric related service, gas supply service, or gas related service for
29 its own use or the use of other government aggregators; or (2) if a
30 municipal or county government, the provision of electric
31 generation service or gas supply service on behalf of business or
32 residential customers within its territorial jurisdiction.

33 "Government energy aggregation program" means a program and
34 procedure pursuant to which a government aggregator enters into a
35 written contract for the provision of electric generation service or
36 gas supply service on behalf of business or residential customers
37 within its territorial jurisdiction.

38 "Governmental entity" means any federal, state, municipal, local,
39 or other governmental department, commission, board, agency,
40 court, authority, or instrumentality having competent jurisdiction.

41 "Greenhouse gas emissions portfolio standard" means a
42 requirement that addresses or limits the amount of carbon dioxide
43 emissions indirectly resulting from the use of electricity as applied
44 to any electric power suppliers and basic generation service
45 providers of electricity.

46 "Historic fill" means generally large volumes of non-indigenous
47 material, no matter what date they were emplaced on the site, used
48 to raise the topographic elevation of a site, which were

1 contaminated prior to emplacement and are in no way connected
2 with the operations at the location of emplacement and which
3 include, but are not limited to, construction debris, dredge spoils,
4 incinerator residue, demolition debris, fly ash, and non-hazardous
5 solid waste. "Historic fill" shall not include any material which is
6 substantially chromate chemical production waste or any other
7 chemical production waste or waste from processing of metal or
8 mineral ores, residues, slags, or tailings.

9 "Incremental auction" means an auction conducted by PJM, as
10 part of PJM's reliability pricing model, prior to the start of the
11 delivery year to secure electric capacity as necessary to satisfy the
12 capacity requirements for that delivery year, that is not otherwise
13 provided for in the base residual auction.

14 "Leakage" means an increase in greenhouse gas emissions
15 related to generation sources located outside of the State that are not
16 subject to a state, interstate, or regional greenhouse gas emissions
17 cap or standard that applies to generation sources located within the
18 State.

19 "Locational deliverability area" or "LDA" means one or more of
20 the zones within the PJM region which are used to evaluate area
21 transmission constraints and reliability issues including electric
22 public utility company zones, sub-zones, and combinations of
23 zones.

24 "Long-term capacity agreement pilot program" or "LCAPP"
25 means a pilot program established by the board that includes
26 participation by eligible generators, to seek offers for financially-
27 settled standard offer capacity agreements with eligible generators
28 pursuant to the provisions of P.L.2011, c.9 (C.48:3-98.2 et al.).

29 "Market transition charge" means a charge imposed pursuant to
30 section 13 of P.L.1999, c.23 (C.48:3-61) by an electric public
31 utility, at a level determined by the board, on the electric public
32 utility customers for a limited duration transition period to recover
33 stranded costs created as a result of the introduction of electric
34 power supply competition pursuant to the provisions of
35 P.L.1999, c.23 (C.48:3-49 et al.).

36 "Marketer" means a duly licensed electric power supplier that
37 takes title to electric energy and capacity, transmission and other
38 services from electric power generators and other wholesale
39 suppliers and then assumes the contractual and legal obligation to
40 provide electric generation service, and may include transmission
41 and other services, to an end-use retail customer or customers, or a
42 duly licensed gas supplier that takes title to gas and then assumes
43 the contractual and legal obligation to provide gas supply service to
44 an end-use customer or customers.

45 "Mid-merit electric power generation facility" means a
46 generation facility that operates at a capacity factor between
47 baseload generation facilities and peaker generation facilities.

1 "Net metering aggregation" means a procedure for calculating
2 the combination of the annual energy usage for all facilities owned
3 by a single customer where such customer is a State entity, school
4 district, county, county agency, county authority, municipality,
5 municipal agency, or municipal authority, and which are served by
6 a solar electric power generating facility as provided pursuant to
7 paragraph (4) of subsection e. of section 38 of P.L.1999, c.23
8 (C.48:3-87).

9 "Net proceeds" means proceeds less transaction and other related
10 costs as determined by the board.

11 "Net revenues" means revenues less related expenses, including
12 applicable taxes, as determined by the board.

13 "Offshore wind energy" means electric energy produced by a
14 qualified offshore wind project.

15 "Offshore wind renewable energy certificate" or "OREC" means
16 a certificate, issued by the board or its designee, representing the
17 environmental attributes of one megawatt hour of electric
18 generation from a qualified offshore wind project.

19 "Off-site end use thermal energy services customer" means an
20 end use customer that purchases thermal energy services from an
21 on-site generation facility, combined heat and power facility, or co-
22 generation facility, and that is located on property that is separated
23 from the property on which the on-site generation facility,
24 combined heat and power facility, or co-generation facility is
25 located by more than one easement, public thoroughfare, or
26 transportation or utility-owned right-of-way.

27 "On-site generation facility" means a generation facility,
28 including, but not limited to, a generation facility that produces
29 Class I or Class II renewable energy, and equipment and services
30 appurtenant to electric sales by such facility to the end use customer
31 located on the property or on property contiguous to the property on
32 which the end user is located. An on-site generation facility shall
33 not be considered a public utility. The property of the end use
34 customer and the property on which the on-site generation facility is
35 located shall be considered contiguous if they are geographically
36 located next to each other, but may be otherwise separated by an
37 easement, public thoroughfare, transportation or utility-owned
38 right-of-way, or if the end use customer is purchasing thermal
39 energy services produced by the on-site generation facility, for use
40 for heating or cooling, or both, regardless of whether the customer
41 is located on property that is separated from the property on which
42 the on-site generation facility is located by more than one easement,
43 public thoroughfare, or transportation or utility-owned right-of-way.

44 "Open access offshore wind transmission facility" means an open
45 access transmission facility, located either in the Atlantic Ocean or
46 onshore, used to facilitate the collection of offshore wind energy or
47 its delivery to the electric transmission system in this State.

1 "Person" means an individual, partnership, corporation,
2 association, trust, limited liability company, governmental entity, or
3 other legal entity.

4 "PJM Interconnection, L.L.C." or "PJM" means the privately-
5 held, limited liability corporation that serves as a FERC-approved
6 Regional Transmission Organization, or its successor, that manages
7 the regional, high-voltage electricity grid serving all or parts of 13
8 states including New Jersey and the District of Columbia, operates
9 the regional competitive wholesale electric market, manages the
10 regional transmission planning process, and establishes systems and
11 rules to ensure that the regional and in-State energy markets operate
12 fairly and efficiently.

13 "Preliminary assessment" shall have the same meaning as
14 provided in section 3 of P.L.1976, c.141 (C.58:10-23.11b).

15 "Private aggregator" means a non-government aggregator that is
16 a duly-organized business or non-profit organization authorized to
17 do business in this State that enters into a contract with a duly
18 licensed electric power supplier for the purchase of electric energy
19 and capacity, or with a duly licensed gas supplier for the purchase
20 of gas supply service, on behalf of multiple end-use customers by
21 combining the loads of those customers.

22 "Properly closed sanitary landfill facility" means a sanitary
23 landfill facility, or a portion of a sanitary landfill facility, for which
24 performance is complete with respect to all activities associated
25 with the design, installation, purchase, or construction of all
26 measures, structures, or equipment required by the Department of
27 Environmental Protection, pursuant to law, in order to prevent,
28 minimize, or monitor pollution or health hazards resulting from a
29 sanitary landfill facility subsequent to the termination of operations
30 at any portion thereof, including, but not necessarily limited to, the
31 placement of earthen or vegetative cover, and the installation of
32 methane gas vents or monitors and leachate monitoring wells or
33 collection systems at the site of any sanitary landfill facility.

34 "Public utility holding company" means: (1) any company that,
35 directly or indirectly, owns, controls, or holds with power to vote,
36 10 percent or more of the outstanding voting securities of an
37 electric public utility or a gas public utility or of a company which
38 is a public utility holding company by virtue of this definition,
39 unless the Securities and Exchange Commission, or its successor,
40 by order declares such company not to be a public utility holding
41 company under the Public Utility Holding Company Act of 1935,
42 15 U.S.C. s.79 et seq., or its successor; or (2) any person that the
43 Securities and Exchange Commission, or its successor, determines,
44 after notice and opportunity for hearing, directly or indirectly, to
45 exercise, either alone or pursuant to an arrangement or
46 understanding with one or more other persons, such a controlling
47 influence over the management or policies of an electric public
48 utility or a gas public utility or public utility holding company as to

1 make it necessary or appropriate in the public interest or for the
2 protection of investors or consumers that such person be subject to
3 the obligations, duties, and liabilities imposed in the Public Utility
4 Holding Company Act of 1935, 15 U.S.C. s.79 et seq., or its
5 successor act.

6 "Qualified offshore wind project" means a wind turbine
7 electricity generation facility in the Atlantic Ocean and connected
8 to the electric transmission system in this State, and includes the
9 associated transmission-related interconnection facilities and
10 equipment, and approved by the board pursuant to section 3 of
11 P.L.2010, c.57 (C.48:3-87.1).

12 "Registration program" means an administrative process
13 developed by the board pursuant to subsection u. of section 38 of
14 P.L.1999, c.23 (C.48:3-87) that requires all owners of solar electric
15 power generation facilities connected to the distribution system that
16 intend to generate SRECs, to file with the board documents
17 detailing the size, location, interconnection plan, land use, and other
18 project information as required by the board.

19 "Regulatory asset" means an asset recorded on the books of an
20 electric public utility or gas public utility pursuant to the Statement
21 of Financial Accounting Standards, No. 71, entitled "Accounting for
22 the Effects of Certain Types of Regulation," or any successor
23 standard and as deemed recoverable by the board.

24 "Related competitive business segment of an electric public
25 utility or gas public utility" means any business venture of an
26 electric public utility or gas public utility including, but not limited
27 to, functionally separate business units, joint ventures, and
28 partnerships, that offers to provide or provides competitive services.

29 "Related competitive business segment of a public utility holding
30 company" means any business venture of a public utility holding
31 company, including, but not limited to, functionally separate
32 business units, joint ventures, and partnerships and subsidiaries, that
33 offers to provide or provides competitive services, but does not
34 include any related competitive business segments of an electric
35 public utility or gas public utility.

36 "Reliability pricing model" or "RPM" means PJM's capacity-
37 market model, and its successors, that secures capacity on behalf of
38 electric load serving entities to satisfy load obligations not satisfied
39 through the output of electric generation facilities owned by those
40 entities, or otherwise secured by those entities through bilateral
41 contracts.

42 "Renewable energy certificate" or "REC" means a certificate
43 representing the environmental benefits or attributes of one
44 megawatt-hour of generation from a generating facility that
45 produces Class I or Class II renewable energy, but shall not include
46 a solar renewable energy certificate or an offshore wind renewable
47 energy certificate.

1 "Resource clearing price" or "RCP" means the clearing price
2 established for the applicable locational deliverability area by the
3 base residual auction or incremental auction, as determined by the
4 optimization algorithm for each auction, conducted by PJM as part
5 of PJM's reliability pricing model.

6 "Resource recovery facility" means a solid waste facility
7 constructed and operated for the incineration of solid waste for
8 energy production and the recovery of metals and other materials
9 for reuse, which the Department of Environmental Protection has
10 determined to be in compliance with current environmental
11 standards, including, but not limited to, all applicable requirements
12 of the federal "Clean Air Act" (42 U.S.C. s.7401 et seq.).

13 "Restructuring related costs" means reasonably incurred costs
14 directly related to the restructuring of the electric power industry,
15 including the closure, sale, functional separation, and divestiture of
16 generation and other competitive utility assets by a public utility, or
17 the provision of competitive services as those costs are determined
18 by the board, and which are not stranded costs as defined in
19 P.L.1999, c.23 (C.48:3-49 et al.) but may include, but not be limited
20 to, investments in management information systems, and which
21 shall include expenses related to employees affected by
22 restructuring which result in efficiencies and which result in
23 benefits to ratepayers, such as training or retraining at the level
24 equivalent to one year's training at a vocational or technical school
25 or county community college, the provision of severance pay of two
26 weeks of base pay for each year of full-time employment, and a
27 maximum of 24 months' continued health care coverage. Except as
28 to expenses related to employees affected by restructuring,
29 "restructuring related costs" shall not include going forward costs.

30 "Retail choice" means the ability of retail customers to shop for
31 electric generation or gas supply service from electric power or gas
32 suppliers, or opt to receive basic generation service or basic gas
33 service, and the ability of an electric power or gas supplier to offer
34 electric generation service or gas supply service to retail customers,
35 consistent with the provisions of P.L.1999, c.23 (C.48:3-49 et al.).

36 "Retail margin" means an amount, reflecting differences in
37 prices that electric power suppliers and electric public utilities may
38 charge in providing electric generation service and basic generation
39 service, respectively, to retail customers, excluding residential
40 customers, which the board may authorize to be charged to
41 categories of basic generation service customers of electric public
42 utilities in this State, other than residential customers, under the
43 board's continuing regulation of basic generation service pursuant to
44 sections 3 and 9 of P.L.1999, c.23 (C.48:3-51 and 48:3-57), for the
45 purpose of promoting a competitive retail market for the supply of
46 electricity.

47 "Sales representative" means a person employed by, acting on
48 behalf of, or as an independent contractor for, an electric power

1 supplier, gas supplier, broker, energy agent, marketer, or private
2 aggregator who, by any means, solicits a potential residential
3 customer for the provision of electric generation service or gas
4 supply service.

5 "Sanitary landfill facility" shall have the same meaning as
6 provided in section 3 of P.L.1970, c.39 (C.13:1E-3).

7 "School district" means a local or regional school district
8 established pursuant to chapter 8 or chapter 13 of Title 18A of the
9 New Jersey Statutes, a county special services school district
10 established pursuant to article 8 of chapter 46 of Title 18A of the
11 New Jersey Statutes, a county vocational school district established
12 pursuant to article 3 of chapter 54 of Title 18A of the New Jersey
13 Statutes, and a district under full State intervention pursuant to
14 P.L.1987, c.399 (C.18A:7A-34 et al.).

15 "Shopping credit" means an amount deducted from the bill of an
16 electric public utility customer to reflect the fact that the customer
17 has switched to an electric power supplier and no longer takes basic
18 generation service from the electric public utility.

19 "Site investigation" shall have the same meaning as provided in
20 section 3 of P.L.1976, c.141 (C.58:10-23.11b).

21 "Small scale hydropower facility" means a facility located within
22 this State that is connected to the distribution system, and that
23 meets the requirements of, and has been certified by, a nationally
24 recognized low-impact hydropower organization that has
25 established low-impact hydropower certification criteria applicable
26 to: (1) river flows; (2) water quality; (3) fish passage and
27 protection; (4) watershed protection; (5) threatened and endangered
28 species protection; (6) cultural resource protection; (7) recreation;
29 and (8) facilities recommended for removal.

30 "Social program" means a program implemented with board
31 approval to provide assistance to a group of disadvantaged
32 customers, to provide protection to consumers, or to accomplish a
33 particular societal goal, and includes, but is not limited to, the
34 winter moratorium program, utility practices concerning "bad debt"
35 customers, low income assistance, deferred payment plans,
36 weatherization programs, and late payment and deposit policies, but
37 does not include any demand side management program or any
38 environmental requirements or controls.

39 "Societal benefits charge" means a charge imposed by an electric
40 public utility, at a level determined by the board, pursuant to, and in
41 accordance with, section 12 of P.L.1999, c.23 (C.48:3-60).

42 "Solar alternative compliance payment" or "SACP" means a
43 payment of a certain dollar amount per megawatt hour (MWh)
44 which an electric power supplier or provider may submit to the
45 board in order to comply with the solar electric generation
46 requirements under section 38 of P.L.1999, c.23 (C.48:3-87).

47 "Solar renewable energy certificate" or "SREC" means a
48 certificate issued by the board or its designee, representing one

1 megawatt hour (MWh) of solar energy that is generated by a facility
2 connected to the distribution system in this State and has value
3 based upon, and driven by, the energy market.

4 "Standard offer capacity agreement" or "SOCA" means a
5 financially-settled transaction agreement, approved by board order,
6 that provides for eligible generators to receive payments from the
7 electric public utilities for a defined amount of electric capacity for
8 a term to be determined by the board but not to exceed 15 years,
9 and for such payments to be a fully non-bypassable charge, with
10 such an order, once issued, being irrevocable.

11 "Standard offer capacity price" or "SOCP" means the capacity
12 price that is fixed for the term of the SOCA and which is the price
13 to be received by eligible generators under a board-approved
14 SOCA.

15 "State entity" means a department, agency, or office of State
16 government, a State university or college, or an authority created by
17 the State.

18 "Stranded cost" means the amount by which the net cost of an
19 electric public utility's electric generating assets or electric power
20 purchase commitments, as determined by the board consistent with
21 the provisions of P.L.1999, c.23 (C.48:3-49 et al.), exceeds the
22 market value of those assets or contractual commitments in a
23 competitive supply marketplace and the costs of buydowns or
24 buyouts of power purchase contracts.

25 "Stranded costs recovery order" means each order issued by the
26 board in accordance with subsection c. of section 13 of
27 P.L.1999, c.23 (C.48:3-61) which sets forth the amount of stranded
28 costs, if any, the board has determined an electric public utility is
29 eligible to recover and collect in accordance with the standards set
30 forth in section 13 of P.L.1999, c.23 (C.48:3-61) and the recovery
31 mechanisms therefor.

32 "Telemarketer" shall have the same meaning as set forth in
33 section 2 of P.L.2003, c.76 (C.56:8-120).

34 "Telemarketing sales call" means a telephone call made by a
35 telemarketer to a potential residential customer as part of a plan,
36 program, or campaign to encourage the customer to change the
37 customer's electric power supplier or gas supplier. A telephone call
38 made to an existing customer of an electric power supplier, gas
39 supplier, broker, energy agent, marketer, private aggregator, or
40 sales representative, for the sole purpose of collecting on accounts
41 or following up on contractual obligations, shall not be deemed a
42 telemarketing sales call. A telephone call made in response to an
43 express written request of a customer shall not be deemed a
44 telemarketing sales call.

45 "Thermal efficiency" means the useful electric energy output of a
46 facility, plus the useful thermal energy output of the facility,
47 expressed as a percentage of the total energy input to the facility.

1 "Transition bond charge" means a charge, expressed as an
2 amount per kilowatt hour, that is authorized by and imposed on
3 electric public utility ratepayers pursuant to a bondable stranded
4 costs rate order, as modified at any time pursuant to the provisions
5 of P.L.1999, c.23 (C.48:3-49 et al.).

6 "Transition bonds" means bonds, notes, certificates of
7 participation, beneficial interest, or other evidences of indebtedness
8 or ownership issued pursuant to an indenture, contract, or other
9 agreement of an electric public utility or a financing entity, the
10 proceeds of which are used, directly or indirectly, to recover,
11 finance or refinance bondable stranded costs and which are, directly
12 or indirectly, secured by or payable from bondable transition
13 property. References in P.L.1999, c.23 (C.48:3-49 et al.) to
14 principal, interest, and acquisition or redemption premium with
15 respect to transition bonds which are issued in the form of
16 certificates of participation or beneficial interest or other evidences
17 of ownership shall refer to the comparable payments on such
18 securities.

19 "Transition period" means the period from August 1, 1999
20 through July 31, 2003.

21 "Transmission and distribution system" means, with respect to an
22 electric public utility, any facility or equipment that is used for the
23 transmission, distribution, or delivery of electricity to the customers
24 of the electric public utility including, but not limited to, the land,
25 structures, meters, lines, switches, and all other appurtenances
26 thereof and thereto, owned or controlled by the electric public
27 utility within this State.

28 "Universal service" means any service approved by the board
29 with the purpose of assisting low-income residential customers in
30 obtaining or retaining electric generation or delivery service.

31 "Unsolicited advertisement" means any advertising claims of the
32 commercial availability or quality of services provided by an
33 electric power supplier, gas supplier, broker, energy agent,
34 marketer, private aggregator, sales representative, or telemarketer
35 which is transmitted to a potential customer without that customer's
36 prior express invitation or permission.

37 "Utility-scale solar facility" means a solar electric power
38 generation facility that is capable of producing at least 10
39 megawatts of electric power, measured as alternating current, and is
40 connected to the electric transmission system at a location that is
41 within the service territory of an electric public utility or to the
42 distribution system operated by an electric public utility. Any such
43 facility shall qualify as Class I renewable energy for the purposes of
44 receiving Class I renewable energy certificates for compliance with
45 the State's renewable energy portfolio standards.

46 (cf: P.L.2020, c.24, s.7)

1 3. Section 4 of P.L.2016, c.12 (C.13:8C-46) is amended to read
2 as follows:

3 4. There is established in the General Fund a special account to
4 be known as the "Preserve New Jersey Fund Account."

5 a. The State Treasurer shall credit to this account:

6 (1) (a) (i) For State fiscal year 2016, an amount equal to 71
7 percent of the four percent of the revenue annually derived from the
8 tax imposed pursuant to the "Corporation Business Tax Act
9 (1945)," P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and
10 supplemented, or any other State law of similar effect, dedicated for
11 recreation and conservation, farmland preservation, and historic
12 preservation purposes pursuant to subparagraph (a) of Article VIII,
13 Section II, paragraph 6 of the State Constitution, less \$19,972,000
14 already appropriated and expended for parks management in
15 P.L.2015, c.63; and

16 (ii) in each State fiscal year 2017 through and including State
17 fiscal year 2019 an amount equal to 71 percent of the four percent
18 of the revenue annually derived from the tax imposed pursuant to
19 the "Corporation Business Tax Act (1945)," P.L.1945, c.162
20 (C.54:10A-1 et seq.), as amended and supplemented, or any other
21 State law of similar effect, dedicated to recreation and conservation,
22 farmland preservation, and historic preservation purposes pursuant
23 to subparagraph (a) of Article VIII, Section II, paragraph 6 of the
24 State Constitution; and

25 (b) (i) in each State fiscal year commencing in State fiscal year
26 2020 and annually thereafter, an amount equal to 78 percent of the
27 six percent of the revenue annually derived from the tax imposed
28 pursuant to the "Corporation Business Tax Act (1945),"
29 P.L.1945, c.162 (C.54:10A-1 et seq.), as amended and
30 supplemented, or any other State law of similar effect, dedicated to
31 recreation and conservation, farmland preservation, and historic
32 preservation purposes pursuant to subparagraph (a) of Article VIII,
33 Section II, paragraph 6 of the State Constitution; and

34 (ii) any amount received from an electric public utility pursuant
35 to section 1 of P.L. , c. (C.) (pending before the Legislature
36 as this bill); and

37 (2) in each State fiscal year, an amount equal to the amount
38 dedicated pursuant to subparagraph (b) of Article VIII, Section II,
39 paragraph 6 of the State Constitution.

40 b. In each State fiscal year, the amount credited to the Preserve
41 New Jersey Fund Account shall be appropriated from time to time
42 by the Legislature only for the applicable purposes set forth in
43 Article VIII, Section II, paragraph 6 of the State Constitution and
44 **[this act]** P.L.2016, c.12 (C.13:8C-43 et seq.) for:

45 (1) providing funding, including loans or grants, for the
46 preservation, including acquisition, development, and stewardship,
47 of lands for recreation and conservation purposes, including lands
48 that protect water supplies and lands that have incurred flood or

- 1 storm damage or are likely to do so, or that may buffer or protect
2 other properties from flood or storm damage;
- 3 (2) providing funding, including loans or grants, for the
4 preservation and stewardship of land for agricultural or horticultural
5 use and production;
- 6 (3) providing funding, including loans or grants, for historic
7 preservation; and
- 8 (4) paying administrative costs associated with (1) through (3)
9 of this subsection.
- 10 c. Nothing in this act shall authorize any State entity to use
11 constitutionally dedicated CBT moneys for the purpose of making
12 any payments relating to any bonds, notes, or other debt
13 obligations, other than those relating to obligations arising from
14 land purchase agreements made with landowners.
- 15 d. In each State fiscal year after the enactment of
16 P.L. , c. (C.) (pending before the Legislature as this bill), the
17 State Treasurer shall notify, in writing, the chairperson of the
18 Garden State Preservation Trust of the amount received from an
19 electric public utility pursuant to section 1 of P.L. , c. (C.)
20 (pending before the Legislature as this bill) and credited to the
21 Preserve New Jersey Fund Account pursuant to subsubparagraph
22 (ii) of subparagraph (b) of paragraph (1) of subsection a. of this
23 section to be used for the purposes of subsection b. of this section.
24 (cf: P.L.2016, c.12, s.4)

- 25
- 26 4. This act shall take effect immediately.
- 27

28 STATEMENT

29

30

31 This bill would supplement the “Electric Discount and Energy
32 Competition Act” (EDECA), P.L.1999, c.23 (C.48:3-49 et al.), to
33 direct the Board of Public Utilities (board) to establish a utility-
34 scale solar energy development program.

35 The bill would define a "utility-scale solar facility" as a solar
36 electric power generation facility that is capable of producing at
37 least 10 megawatts of electric power, measured as alternating
38 current, and is connected to the electric transmission system at a
39 location that is within the service territory of an electric public
40 utility or to the distribution system operated by an electric public
41 utility.

42 The bill would require the board, within one year after the date
43 the bill is enacted into law, to adopt rules and regulations
44 establishing an annual competitive procurement program to develop
45 utility-scale solar facilities capable of producing at least 3,000
46 megawatts of power by 2030. This program would include a
47 transparent, competitive, and fair annual solicitation process that is
48 open on a non-discriminatory basis to any entity seeking to

1 construct a utility-scale solar facility that can achieve commercial
2 operation within two years after the date of execution of a power
3 purchase agreement, and standardized evaluation criteria to be
4 applied equally to all bids and bidders.

5 The bill would require the board, within 18 months after the date
6 the bill is enacted into law, to establish a competitive procurement
7 process and conduct a competitive solicitation for utility-scale solar
8 facility projects. The competitive procurement process is to
9 include: a procurement target of at least 375 megawatts, measured
10 as alternating current, which target may be increased by the board
11 to qualify for federal incentives or if the board otherwise finds
12 doing so is in the public interest; and a cost cap based on the
13 board's forecast of the 20-year market price of energy, capacity,
14 and Class I RECs, less the total cost of the annual remunerations
15 one percent to be submitted to the State Treasurer for deposit into
16 the "Preserve New Jersey Fund Account," established pursuant to
17 section 4 of P.L.2016, c.12 (C.13:8C-46), and up to two and one-
18 half percent to compensate the electric public utility for costs
19 incurred.

20 After the initial competitive solicitation and procurement
21 process, the bill would thereafter require the board, by December 31
22 of each year, to establish for the competitive procurement to take
23 place in the following year, and by June 30th of each year to
24 conduct a competitive solicitation for utility-scale solar facilities.

25 Following the board's competitive solicitation for utility-scale
26 solar facility projects and the selection of a winning bidder, each
27 electric public utility would be required to negotiate a power
28 purchase agreement with the winning bidder to purchase energy,
29 capacity, and Class I RECs, or any combination thereof, for a term
30 of 20 years.

31 This bill would also amend the "Preserve New Jersey Act,"
32 P.L.2016, c.12 (C.13:8C-43 et seq.), to provide that the amounts
33 received by the State Treasurer pursuant to this bill from an electric
34 public utility would be deposited into the "Preserve New Jersey
35 Fund Account" and be used in accordance with the provisions of the
36 "Preserve New Jersey Act" for recreation and conservation,
37 farmland, and historic preservation purposes.

38 The 2019 Energy Master Plan ("EMP") found that the State
39 could achieve its 100 percent clean energy and 80 percent
40 greenhouse gas reduction goals with net savings and little added
41 cost when health benefits and climate change mitigation benefits are
42 taken into account, by maximizing the development of in-State
43 renewable energy generation, including 17,000 megawatts of solar
44 energy by 2035 and 32 gigawatts by 2050. Under the least cost path
45 identified by the EMP, solar energy could meet 34 percent of the
46 State's clean energy needs by 2050. The EMP further determined
47 that to embark on this least cost path the State should add at least
48 400 megawatts of in-State solar energy each year through 2030.